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Acting Chief, Geographic Area

10 November 1958

Acting Chief, Economic Research Area

Review of Geographic Research Project 63.1654, Postwar Development
of the Railroad Network in Poland

1. The subject report has been reviewed by the Economic Research Area branches responsible for transportation matters and for economic analysis of the European Satellites. Our general reaction is that the report is well-written and makes its point with clarity, but that using transportation as a reference point, it makes value judgments about the state of the Polish economy and the rationality of Poland's economic plans and activities which are not justified by other types of information. In addition some of the judgments about transportation itself are at variance with those held by our people.

2. In particular the Transportation Branch feels that the report emphasized the failure of the Poles to expand the rail network in the less developed areas of Poland without noting that the major need for transportation in these less developed areas is for good road transportation and for more intensive utilization of existing highway facilities rather than new rail lines. There is presently much short-haul traffic transported by rail that could be shipped more cheaply by truck. Judging by present plans to have 250,000 trucks by 1975 - three times as many as they have at present - Polish transport policy may indeed be pointing in this direction.

3. The report also presents a finding that the Poles failed to provide adequate capital investment for the rail network because of the favored position of industry in expansion programs. Our Transportation Branch feels that the relatively small capital investment in railroads (after the postwar reconstruction) reflected the general adequacy of the Polish rail system. Until such time as Poland's industry could grow significantly, continued expansion in railroads could only increase the gap between the demands for rail transport and the capabilities of the rail system. The emphasis on industrial expansion in already established areas reflected, moreover, the cheapest and quickest way for the Poles to accomplish the necessary industrial expansion. We would also note that the policy of increasing traffic volume by obtaining better operating efficiency levels rather than increasing capital investment has been very successful for the Poles.

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4. The transportation Branch noted the following specific points of difference with its own estimates:

a. Page 3 - S/TR figures for the 1946 rail net are: 18,993 kilometers of standard gauge track; 4,500 kilometers of broad-gauge track; and 2,769 kilometers of narrow-gauge track.

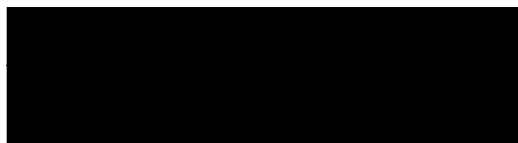
b. Page 4 - New line construction - we conclude that 1,320 kilometers of track were constructed between 1950-1955.

c. Page 6 - The table on freight and passenger traffic does not agree with our figures for the years 1949, 1953 and 1954. The figures presented apparently include totals of standard and narrow gauge, rather than standard gauge alone.

d. Page 7 - The statement on falling short of plan goals is not quite accurate. The original goal for ton-kilometer performance was not met because the Poles were able to shorten their average length of haul.

e. Page 10 - The changes in priorities for commodity carriage by rail were set for the peak period of operations in one year only. They did not represent a permanent order of priorities and were not intended for year-round operations.

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